



*Final
Report*

County of San Diego, California

Auditor and Controller

Child Welfare Services Officers' Transition Audit

Office of **A**udits & **A**dvisory **S**ervices

**November 2009
Report No. A09-052**



COUNTY OF SAN DIEGO

INTER-DEPARTMENTAL CORRESPONDENCE

November 4, 2009

TO: Debra Zanders-Willis, Deputy Director
HHSA – Child Welfare Services

FROM: Kenneth J. Mory
Chief of Audits

FINAL REPORT: CHILD WELFARE SERVICES OFFICERS' TRANSITION AUDIT

Enclosed is our report on the Child Welfare Services Officers' Transition Audit (Cadena – Zanders-Willis). The report includes audit findings and recommendations.

We have reviewed your responses and have attached them to the audit report. The actions taken and planned, in general, are responsive to the findings and recommendations in the report. As required under Board Policy B-44, we respectfully request that you provide quarterly status reports on the implementation progress of the recommendations.

If you have any immediate concerns about the report, please contact me at (858) 495-5662.

KENNETH J. MORY
Chief of Audits

AUD:FDL:aps

Enclosure

c: Nick Macchione, Director, Health & Human Services Agency
Donald F. Steuer, Chief Financial Officer
Tracy M. Sandoval, Assistant Chief Financial Officer/Auditor and Controller
Terry Hogan, Group Finance Director, Health & Human Services Agency

CHILD WELFARE SERVICES OFFICERS' TRANSITION AUDIT

In accordance with the County Charter, the Office of Audits & Advisory Services (OAAS) has completed an officers' transition audit for the Child Welfare Services. The OAAS conducts such an audit when County officers leave and assume office to determine if certain affidavits, authorizations, disclosures, and reports are properly completed and processed. These actions provide for an orderly transition of officers, establish proper accountability for public assets and promote the County's General Management System (GMS), including its key disciplines of accountability, fiscal stability, regional leadership, and continuous improvement.

Accordingly, we audited the reports filed by the outgoing and incoming officers of the Child Welfare Services. Ed Cadena and Debra Zanders-Willis were required to file outgoing and incoming officers' reports, respectively, as of March 25, 2009. The reports are the responsibility of the officer who signs them. Our purpose is to provide an opinion on the reports based upon our audit.

AUDIT SCOPE AND METHODOLOGY

The audit scope is to determine whether the outgoing and incoming officials took appropriate actions and filed complete and reasonably accurate reports as County officers in compliance with California Codes and the County's regulatory requirements as explained in the instruction letter provided to each officer. To determine that the reports are reasonably accurate and to provide assurance for the incoming officer, we tested controls designed to establish accountability for the fixed assets, minor equipment, and revolving funds.

This audit was conducted in accordance with auditing standards prescribed by the Institute of Internal Auditors, Inc., as required by California Government Code, Section 1236.

AUDIT RESULTS

In our opinion, the outgoing and incoming officers filed complete and reasonably accurate reports in compliance with California law and the County's regulatory requirements in connection with an officer's transition, except as noted in Finding II of audit report A09-051.

COMMENDATION

The Office of Audits & Advisory Services commends and sincerely appreciates the courteousness and cooperation extended by the Child Welfare Services officers and staff throughout this audit.

AUDIT TEAM

Franco Lopez, Auditor II

DEPARTMENT RESPONSE

**CHILD WELFARE SERVICES
OFFICERS' TRANSITION AUDIT
(CADENA TO ZANDERS-WILLIS)
FINAL REPORT**

**November 2009
Report No. A09-052
3**



NICK MACCHIONE, FACHE
DIRECTOR
HEALTH AND HUMAN SERVICES AGENCY

County of San Diego

DEBRA ZANDERS-WILLIS
DIRECTOR
CHILD WELFARE SERVICES

HEALTH AND HUMAN SERVICES AGENCY

CHILD WELFARE SERVICES
6950 LEVANT STREET, SAN DIEGO, CA 92111-8098
(858) 694-5413 FAX (858) 694-5475

CHILD WELFARE PROGRAMS
858-694-5111

POLICY AND PROGRAM SUPPORT
858-514-8803

POLINSKY CHILDREN'S CENTER
858-514-4718

ADOLESCENT SERVICES
858-694-5751

October 29, 2009

TO: Ken Mory, Chief of Audits
Office of Audits and Advisory Services, O-305

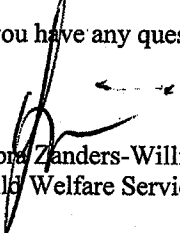
FROM: Debra Zanders-Willis, Director
Child Welfare Services, W-94

**RECEIVED
NOV 02 2009
OFFICE OF AUDITS &
ADVISORY SERVICES**

RE: HEALTH & HUMAN SERVICES AGENCY OFFICERS' TRANSITION AUDIT

We have reviewed the recommendations noted in the September 2009, *Final Draft Report: Health & Human Services Agency Officers' Transition Audit, Report No A09-052*. The span of controls cited in the report pertain to the following three areas; Fixed Assets, Minor Equipment, and Material/Supplies. We have coordinated the responses to your recommendations in Attachment A. The responses indicate actions that comply with the cited recommendations.

If you have any questions, please contact Barbara Wiener at (858) 694-5447.


Debra Zanders-Willis, Director
Child Welfare Services

DZW/bw

Attachment

cc: Nick Macchione, HHSA Director, P501
Paula Landau-Cox, HHSA Director of Operations, P501
Jim Lardy, HHSA Finance Officer, W403
Alan Makinson, HHSA Facilities & Support Services Manager, P502L
Terry Hogan, Finance Director, Financial and Support Services Division, P501
Edward Cadena, Assistant Deputy Director, Child Welfare Services, W94

Attachment A

COUNTY OF SAN DIEGO

Response Schedule	
Recommendation	RESPONSE
<p>OAAS recommends that CWS consider taking the following actions to properly safeguard and account for county assets in accordance with the Admin Manual:</p> <p>1. CWS consider updating its inventory schedules and ensure summary schedules used in reporting accurately reflect detailed documentation</p> <p>2. CWS should consider referring the OFAM to obtain official record history and asset historical cost information. External schedules used for reporting purposes should be updated based on OFAM; and</p> <p>3. CWS should consider fully implementing HHSA Fixed Assets and Minor Equipment Policy. Areas within the HHSA policy related to the reported findings include:</p> <ul style="list-style-type: none"> • Maintaining a listing of minor equipment items by adding new items as they are received and deleting items that are disposed or no longer use; • Identifying the quantity, nature, location and assigned value of minor equipment items by their location; • Capital assets or minor equipment that are donated to the County should be entered into the capital assets system or added to the department's minor equipment listing at their fair market value as of the date of acceptance by the County; • Non-county assets and minor equipment provided by another entity for use in County operations should be identified and recorded separately in the department's minor equipment listing or in OFAM as appropriate; and • Ensure that all assets and minor equipment items are properly identified with the appropriate decal. 	<p>We agree with the recommendation. Completion of an ongoing asset inventory project to correct location codes and other errors in OFAM is planned in conjunction with the September 2009 Triennial Inventory. We agree that invoices for minor equipment should be retained which is a normal part of our business processes. Our alternate approach to maintaining a separate system is to access invoices as needed on Oracle.</p> <p>We agree with the recommendation. A review of the HHSA Asset Control Policy is in progress. This review's scope includes compliance with Admin Manual 0050-02-1 and strengthening controls to track fixed asset changes. Training of personnel involved in taking inventory was held prior to the September 2009 Triennial Inventory to address these changes.</p> <p>We agree with the recommendation. A HHSA Asset Control Policy has finalized August 30, 2009. We are the process of implementing the policy steps. This review's scope includes compliance with Admin Manual 0050-02-1 and strengthening controls to track fixed asset changes. Training of personnel involved in taking inventory was held prior to the September 2009 Triennial Inventory to address these changes. We agree that invoices for minor equipment should be retained which is a normal part of our business processes. Our alternate approach to maintaining a separate system is to access invoices as needed on Oracle.</p>